



LOWELL REDEVELOPMENT AUTHORITY
ANNUAL REPORT
1964



LOWELL REDEVELOPMENT AUTHORITY

M. Brendan Fleming - Chairman
George D. Hudson - Vice-Chairman
Edgar E. Vigeant - Treasurer
George F. O'Meara, Jr. - Ass't. Treasurer
Joseph C. Mello, Jr. - Member

Executive Director & Secretary

William A. Kealy

Assistant Director

James F. Silk

Relocation Staff

Reginald A. Ouellette - Supervisor
Hermes S. Tsandikos - Aide
Gordon P. Hamilton - Aide
Charles B. Steward - Aide
Robert E. Heroux - Aide

Rehabilitation Staff

Brendon T. Bailey - Specialist
Edward L. Morris - Specialist

Property Management Staff

Reginald A. Ouellette - Supervisor
Thomas P. O'Rourke

Clerical

Helen Vaughan - Head Clerk
Maureen Pappas - Bookkeeper
Vivian Gregoire - Clerk - Typist
Evelyn Lafond - Clerk - Typist
Marilyn Brun - Clerk - Typist
Ida M. Flynn - Clerk - Typist

ANNUAL REPORT - 1964

SUMMARY

The Lowell Redevelopment Authority has entered its second full year of activity since the effective transfer of urban renewal projects on July 26, 1963.

This past twelve months has been a year of organization, adjustment, programming and substantial progress.

Of special significance is the progress made in land acquisition, rehabilitation and relocation.

With 17 months of a 60-month project gone by, the Authority can point to percentages of progress ahead of schedule, due in no small part to the willingness of Authority members to meet as often as possible to solve the multitude of problems which urban renewal and the Northern Canal Project, with its special complexities, demand.

The staff members have shown competence and a willingness to work at whatever they were called upon to handle.

The City, the Housing and Home Finance Agency, and the Lowell Housing Authority have done everything possible to make the urban renewal process move more smoothly.

The Authority in 1965 will move forward in all the assigned and related phases of physical, economic, and social redevelopment aimed at a new Lowell.

The most important phase of the Authority's work in the coming year may well be the planning of the Hale Street Project, the city's third and largest project.

This report reviews the 1964 activities of the Authority in the Northern Canal Project.

LAND ACQUISITION

Appraisers.

In January, the two additional appraisers, Bernard Singer and John O'Neill, started their assignments. The untimely death of John F. Saunders, III, in August brought on need for new appraisals. Approximately 50% of his work had been reviewed, corrected and approved. At the time of his death, a small proportion of the remaining appraisals proved to be usable. This loss, coupled with a very serious automobile accident by Bernard Singer, appraiser, made it necessary to consider the addition of another appraiser to the staff. Mr. Archie J. Horne, M.A.I., of Worcester, Massachusetts was selected. His contract has now been approved and his completed appraisals are expected in early February. During the year, considerable time was spent by the Real Estate Consultant, reviewing appraisals, making corrections, conferring with appraisers, solving special problems and assigning new appraisals.

Full and Fair Price System.

Approximately one year ago, the Lowell Redevelopment Authority adopted this system of acquiring property. At this time, it is safe to say that this system has been an outstanding success. A large degree of this success is attributable to the fact that the Staff thoroughly believe in its use.

As of January 1, 1965, 146 owners have been presented approved prices. Of these, 68 properties are owned, 12 have signed options and 10 have given verbal approval of the price.

Approved Prices.

Three submissions, totaling 191 parcels, have been approved by H.H.F.A., New York, from a total of 265 parcels. This leaves a total of 74 to process. This total of 74 breaks down, as follows: 11 to negotiate, 18 ready for New York, 30 being done by Mr. Archie Horne and 13 being reviewed by the Real Estate Consultant.

Pre-negotiated Acquisition.

Twelve parcels with severance problems have been scheduled for pre-negotiated acquisition. Examples of these are: Wanskuck properties, Locks and Canals properties and easements, and St. Joseph's Girls High School. At the time of this report, none of these have signed options. It is expected that several of them will be negotiated successfully during the coming year.

LAND DISPOSITION

Several changes in the Disposition Maps have been handled, including those necessitated by the railroad, the highway and additional parcels to be acquired. Several other changes were considered but not adopted.

During the year, the second re-use appraisal was completed by William S. Ballard, M.A.I. This appraisal has been given a preliminary review by the Real Estate Consultant. As individual sites are processed for disposition, each one will be given a detailed review and analysis.

During the year, the Real Estate Consultant prepared and submitted to the Lowell Redevelopment Authority a policy for the disposition of land and procedures for implementing this policy. These were subsequently adopted.

Considerable time was spent preparing disposition exhibits for submission to New York covering general disposition procedures. In addition, specific disposition exhibits were prepared in connection with Site #3.

Meetings were held with General Legal Counsel, Richard R. Flood, on legal procedures and exhibits. Disposition Site #3, in particular, has been very difficult and resulted in considerable time.

Meetings have been held with Lowell Day Nursery, Mr. John Notini, Mr. Ames Stevens, Lowell Technogolocal Institute, 221(d)3 redevelopers, and others in conjunction with disposition. It is fully expected that several of these will ultimately be consummated by actual sales.

A brief Sales Promotion Program has been prepared as a disposition exhibit for submission to New York. Much more time will have to be spent on this program as it becomes apparent which Sites will need promotion.

SITE IMPROVEMENTS

1964

Under a Cooperation Agreement with the Authority, the City of Lowell is to provide the major share of the site improvements within the Northern Canal Project Area.

During the demolition work, the Department of Public Works discontinued water services and removed hydrants. This same work is continuing in the next demolition area in conjunction with the Property Management staff.

The engineering firm of Hayden, Harding & Buchanan entered into a contract with the City of Lowell Planning Department to design the proposed new roadways and related facilities.

Preliminary plans for the construction of the divided main roadway through the project were presented to the Authority with recommendations to slightly alter the original roadway location. Such recommendations received the approval of the Authority and final construction drawings were nearing the completion at the year's end for submission to H.H.F.A. for its concurrence.

It is anticipated that the actual construction of the new roadway will be under way during the ensuing year as well as a substantial portion of underground work on sewer and water and on curb removal.

RELOCATION

Following the initial purchase of property on April.16, 1964, the Relocation Staff began its active relocation program.

During the early period of relocation it was apparent that sufficient standard facilities were available on the rental market and the people being displaced had little trouble in selecting their own accommodations. It is noted, however, that of those who did not choose to accept staff assistance, 19% moved into substandard housing. An encouraging 19% of the displaced families chose to purchase homes, 27% were staff relocated, 13% went to substandard dwellings, 8% moved out of Lowell and 10% were relocated to Public Housing through the complete cooperation of the Lowell Housing Authority with the Relocation Staff.

Because of the staff's inspection of rental property, many substandard properties have been referred to the Code Enforcement inspectors of Lowell for their action.

One light industrial business ceased operations after selling its property to the Authority. This industry had a very minor output locally during the time preceeding acquisition and only three persons were employed. No relocation claim was filed.

Two variety stores liquidated their businesses and the personal property was disposed of at public auction after which claims for direct loss of property were filed and paid.

A large used auto parts business involving approximately 700 cars was moved to a new out of town location. A claim in excess of twenty five thousand dollars was filed and is currently being examined by the H.H.F.A. Regional Office.

At year's end about 30% of the anticipated relocation cases had entered the workload.

Of all persons occupying residential properties whose rents are known, both before relocation and after, the average weekly rent has increased from \$7.15 to \$13.66.

The following is a breakdown of the total workload through December 31, 1964:

FAMILIES

Workload	148
Relocated in standard private housing	
LPA referred	15
Self relocated	31
Relocated in standard sales housing	
LPA referred	1
Self relocated	18
LPA Relocated in Federal Public Housing	10
Self relocated out of city	8
Self relocated in substandard rentals	13
Remaining on workload	49

INDIVIDUALS

Workload	52
LRA Relocated in Public Housing	1
Relocated by staff or own efforts	41
Remaining on workload	10

BUSINESSES

Number taken into workload	25
Number removed from workload	5
Remaining on workload	20

RELOCATION CLAIMS

159 Residential Claims	\$14,791.76
4 Business Claims	<u>2,225.62</u>
Total Relocation Payments	\$17,017.38



PROPERTY MANAGEMENT

1964

After property management and rent control procedures were established, the Authority acquired its first property in Blocks 7, 8 and 9. Properties within these three blocks included 94 rental units and 6 businesses.

The first tenant was relocated on May 2 and the last on August 19. Total rents collected during this period was \$975.10. There were no delinquent rents and there were no write-offs in this area. The total maintenance cost was \$62.16 or an average of \$2.82 per building. Rodent control was accomplished for the area for the amount of \$190.00 of which \$15.00 was expended for the used car lot and \$75 for the remaining 21 buildings.

The demolition contract was signed on August 17 and notice to proceed was dated August 19. Work on demolition proceeded according to specifications and was completed 32 days later on September 18 without incident.

On December 16, the City of Lowell initiated legal proceedings to vacate title to Melvin Street and Degrasse Avenue and also to Block 7-2 and Block 8-1 as required by the Cooperation Agreement.

As of December 31, 52 parcels containing 58 buildings had been acquired in the industrial area. These parcels include 311 rental units, 18 businesses and 1 non-profit organization.

Total buildings acquired,	80
Total rents collected,	\$5,494.34
Total rents delinquent,	\$ 536.32
Total rents written off,	\$ 80.10
Total maintenance cost,	\$ 549.65
Total maintenance cost, per building,	\$ 6.87½



Rehab . . .



REHABILITATION

1964

One year after the start of the Rehabilitation Program, the following has been accomplished:

1. All 75 buildings have been completely surveyed.
2. All property owners have been notified of requirements.
3. There are now 24 structures being rehabilitated (the hammer and nail stage.)
4. The total monies actually being spent on the 24 structures is \$174,385, even though the required expenditure for the same structures to meet code standards is only \$51,000.
5. All necessary financing has been through local banks and lending agencies without F.H.A. insurance.

The Authority's new approach is very simple, offer the owners three standards. As a result, the majority of our cases do not stop at code enforcement standards but go somewhere between F.H.A. standards and our "optimum" standards. It seems that the "optimum" recommendations excite their imagination as to what they really could have in their buildings and their area.

Members of the Authority, particularly the Rehabilitation Specialists, enjoy a close, continued co-operation with the members of all code enforcing agencies.

The Rehabilitation Staff members arranged all contact with property owners and accompanied each inspector on every visit to the properties.

With all necessary technical information on hand and co-operation pledged, the Staff proceeded to contact individual owners. Although it was possible to inform all owners of the necessary requirements immediately, it was decided to start with a few owners, strategically located in the area,

REHABILITATION (Continued)

who had expressed a desire to start the program at once. Several pilot projects were started and carefully watched and evaluated. An analysis of progress to date reveals the following:

<u>Block-Parcel</u>	<u>Address</u>	<u>Amount</u>
31 - 6	131 Cabot Street	\$ 2,500.00
31 - 9	119 Cabot Street	800.00
31 - 10	113 Cabot Street	500.00
31 - 12	369-375 Moody Street	30,000.00
31 - 15	30 Race Street	300.00
31 - 16	34 Race Street	200.00
31 - 18	44 Race Street	4,000.00
32 - 9	407 Moody Street	7,000.00
32 - 11	104 Cabot Street	4,200.00
32 - 12	114 Cabot Street	800.00
32 - 13	120-122 Cabot Street	13,200.00
35 - 8 (#1)	8 James Street	13,000.00
35 - 8 (#2)	527-529 Moody Street	20,000.00
35 - 9	12 James Street	4,000.00
36 - 15 (#1)	805-807 Merrimack Street	35,000.00
36 - 15 (#2)	797-803 Merrimack Street	500.00
36 - 15 (#3)	6-8 Spaulding Street	10,000.00
37 - 3	478 Moody Street	5,000.00
37 - 9	11 Spaulding Street	250.00
37 - 10	793 Merrimack Street	3,500.00
39 - 7	691 Merrimack Street	35.00
41 - 8	601-615 Merrimack Street	17,000.00
41 - 9	597 Merrimack Street	600.00
42 - 4	29 Hanover Street	<u>2,000.00</u>
		\$174,385.00

LOWELL REDEVELOPMENT AUTHORITY
Project No. Mass. R-16 Latest Contract No. Mass. R-16 (LG)
Balance Sheet as at December 31, 1964

ASSETS

Current Assets:

Cash:

In Bank	8,430.43
Petty Cash	<u>50.00</u>

Total	8,480.43
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Accounts Receivable:

Relocation Grants due from the Federal Government	17,017.38
Other	<u>653.91</u>

Total	17,671.29
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Total Current Assets

26,151.72

Investments Held (At Cost)

1,280,029.54

Project Costs:

Total Project Costs to Date

1,220,332.35

2,526,513.61

LIABILITIES AND CAPITAL

Current Liabilities:

Accounts Payable	93,613.22
Trust and Deposit Liabilities	<u>1,612.67</u>

Total Current Liabilities	95,225.89
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Accrued Interest Payable

Others

33,764.72

Advances and Loans Payable

Others

2,074,000.00

Capital:

Local Grants in Aid

Cash	320,073.00
Non-cash	<u>3,450.00</u>

Total Local Grants in Aid

323,523.00

Total Liabilities and Capital

2,526,513.61

LOWELL REDEVELOPMENT AUTHORITY

Statement of Accountability

December 31, 1964

FUNDS PROVIDED BY:

Sale of Series "A" Notes to Union National Bank
"Cash Grant in Aid" from City of Lowell

\$2,074,000.00
320,073.00

Total Funds Provided

2,394,073.00

FUNDS APPLIED TO:

Project Costs (Schedule A)
Relocation Payments

\$1,088,545.65
17,017.38

Total Funds Applied

1,105,563.03

FUNDS TO BE ACCOUNTED FOR:

Cash-Project Expenditures Account
Cash-Payroll Account
Petty Cash-Main Office
Change Fund-Site Office

\$7,172.24
1,258.19
25.00
25.00

Total Cash

8,480.43

Investments (at cost)

1,280,029.54

Total Funds Accounted For

1,288,509.97

LOWELL REDEVELOPMENT AUTHORITY

Funds Applied to Project Cost

December 31, 1964

Project Cost (per Balance Sheet)		\$1,220,332.35
Add: <u>Uncollected Income</u>		
Accounts Receivable-Tenents	\$618.89	
Accounts Receivable-LHA	<u>35.02</u>	
<u>Total Uncollected Income</u>		<u>653.91</u>
<u>Total</u>		1,220,986.26
Less: <u>Unpaid Expenses</u>		
Accounts Payable	\$ 6,114.77	
Property Acquisitions by Eminent Domain	84,500.00	
Real Estate Taxes	2,998.45	
Trust & Deposit Liabilities	1,612.67	
Interest On Series "A" Notes	<u>33,764.72</u>	
<u>Total Unpaid Expenses</u>		128,990.61
<u>Non Cash Expenses</u>		
Donated Land		3,450.00
<u>Total Unpaid Expenses</u> <u>and Non Cash Expense</u>		<u>132,440.61</u>
Funds Applied to Project Cost;		1,108,545.65

LOWELL REDEVELOPMENT AUTHORITY
Comparison of Project Costs to Latest Approved Budget
December 31, 1964

Accounts	Approved Budget	Project Costs Dec. 31, 1964	Available (Overrun)
1. <u>SURVEY AND PLANNING EXPENDITURES</u>	<u>86,600.00</u>	<u>91,341.23</u>	<u>(4,741.23)</u>
<u>PROJECT EXECUTION</u>			
2. Administration			
a) Administrative Overhead and Services	161,000.00	62,510.18	98,489.82
Salaries	107,000.00	41,789.98	65,210.02
Retirement Contributions	5,500.00	2,837.57	2,662.43
Sundry Overhead	48,500.00	15,482.63	33,017.37
Administrative Services & Fees	-	<u>2,400.00</u>	<u>(2,400.00)</u>
b) Travel	12,500.00	774.81	11,725.19
c) Publications	5,000.00		5,000.00
3. Office Furniture & Equipment	6,400.00	5,903.89	496.11
4. Legal Services	70,200.00	22,685.00	47,515.00
Salaries	-	-	-
General	15,000.00	5,860.00	9,140.00
Acquisition-Purchase	14,800.00	16,825.00	(2,025.00)
Acquisition-Condemnation	35,200.00	-	35,200.00
Disposition	5,200.00	*	5,200.00
Operation of Acquired Property	*	-	-
5. Survey & Planning	2,500.00	-	2,500.00
6. Acquisition Expense	140,200.00	52,631.20	87,568.80
Salaries	-	-	-
Appraisals	28,000.00	51,279.70	(23,279.70)
Option Negotiation	54,200.00	-	54,200.00
Title Information	13,400.00	3.60	13,396.40
Sundry Expense-Purchase	44,600.00	1,347.90	43,252.10
Sundry Expense-Condemnation	-	-	-

LOWELL REDEVELOPMENT AUTHORITY
Comparison of Project Costs to Latest Approved Budget
December 31, 1964

	<u>Approved Budget</u>	<u>Project Costs Dec. 31, 1964</u>	<u>Available (Overrun)</u>
7. Temporary Operation of Acquired Property	101,000.00	15,910.48	85,089.52
Operating Income	(117,700.00)	(6,128.78)	(111,571.22)
Salaries	81,000.00	13,579.45	67,420.55
Repairs (A)			
Wages Janitors (A)			
Fuel, Light & Power (A)			
Sewerage & Water (A)	(A) 21,000.00	6,978.95	14,021.05
Insurance	12,100.00	812.23	11,287.77
Real Estate Taxes	104,250.00	541.53	103,708.47
Temporary on Site Moves	500.00	74.00	426.00
Charge off Accts.-Tenants	-	53.10	(53.10)
Error in budget	<u>(150.00)</u>	<u>-</u>	<u>(150.00)</u>
8. Relocation Costs	65,200.00	28,420.75	36,779.25
Salaries	65,200.00	28,170.75	37,029.25
Relocation Planning & Execution	-	250.00	(250.00)
Relocation Financial Assistance	<u>-</u>	<u>-</u>	<u>-</u>
9. Site Clearance-Proceeds	145,000.00	21,925.00	123,075.00
Salaries	-	-	-
Site Clearance	<u>145,000.00</u>	<u>21,925.00</u>	<u>123,075.00</u>
10. Project on Site Improvements	-	-	-
Salaries	-	-	-
Project Improvements	<u>-</u>	<u>-</u>	<u>-</u>
11. Disposal, Lease, Retention Costs	25,200.00	6,000.00	19,200.00
Salaries	-	-	-
Disposition Appraisals	11,700.00	6,000.00	5,700.00
Commissions and Fees	10,000.00	-	10,000.00
Sundry Disposition Costs	<u>3,500.00</u>	<u>-</u>	<u>3,500.00</u>

LOWELL REDEVELOPMENT AUTHORITY
Comparison of Project Cost to Latest Approved Budget
December 31, 1964

	Approved Budget	Project Costs Dec. 31, 1964	Available (Overrun)
12. Rehabilitation & Conservation	64,600.00	32,262.64	32,337.36
Salaries	57,400.00	17,209.64	40,190.36
Rehabilitation	<u>7,200.00</u>	<u>15,053.00</u>	<u>(7,853.00)</u>
13. Interest	183,000.00	37,328.87	145,671.13
14. Other Income	(12,000.00)	(40,044.70)	28,044.70
15. <u>SUB TOTALS</u> Lines 2-14	969,800.00	246,308.12	723,491.88
16. Contingencies	129,257.00	-	129,257.00
17. Real Estate Purchases	4,102,000.00	839,070.00	3,262,930.00
18. Project Inspection	<u>40,163.00</u>	<u>40,163.00</u>	<u>---</u>
19. TOTAL PROJECT EXECUTION EXPENDITURES (Sum of Lines 15, 16, 17, 18.)	<u>5,241,220.00</u>	<u>1,125,541.12</u>	<u>4,115,678.88</u>
20. TOTAL PROJECT EXPENDITURES Line 1 & 19	<u>5,327,820.00</u>	<u>1,216,882.35</u>	<u>4,110,937.65</u>
21. RELOCATION PAYMENTS (100% Reimbursable)	<u>154,000.00</u>	<u>17,017.38</u>	<u>1,136,982.62</u>